

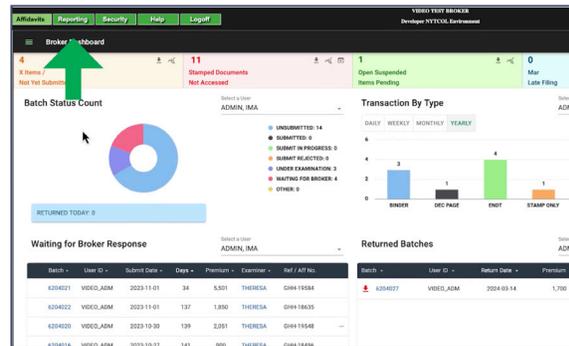


## New Electronic Filing Platform has Arrived!

**AEROS** (Affidavit Examination Reporting Oversight System) is the new electronic filing platform for creating, submitting, and managing policy and endorsement filings with ELANY. It is built on a new software platform and is more streamlined and intuitive than the current electronic filing system. Several enhancements and new transaction types have been added to the platform in response to feedback from brokers:

- An improved approach for the completed Part A Affidavit Preview with EDIT functionality to expand or collapse each section as needed
- A summary by Organization Type as well as expandable view of Declining Carriers

- Added fonts & colors to bring attention and prominence to the taxable fees questions on the Total Cost Form/ Notice of Excess Line Placement Letter
- Ability to drag & drop attachments for upload to ELANY
- Added Print function in multiple locations to the Validation and Submit screen dialogs
- Documents “Accessed” Flag enabled and displayed for the user when Stamped Documents are viewed from the Reporting sub-menu
- New transaction types added in response to requests at the Brokers Technology Roundtable hosted by ELANY



- A more user-friendly and improved interface added for On-Demand Reporting module

Broker feedback on AEROS has been overwhelmingly positive. ELANY has completed the roll-out to all members and posted training documents in the system. Thank you to all the brokers who contributed to the redesign efforts.

## DFS Cybersecurity Regulation Goes Into Effect

On November 1, 2024, the next set of New York Department of Financial Services (DFS) cybersecurity regulation (23 NYCRR 500) revised requirements goes into effect. Here is what brokers need to know. Criteria to qualify for a limited exemption under Section 500.19(a) will apply for licensees with any of the following:

- Fewer than 20 employees and independent contractors, including affiliates
- Less than \$7,500,000 in gross annual revenue in each of the last three fiscal years from all business operations of the licensee and the

business operations in New York of the licensee’s affiliates

- Less than \$15,000,000 in year-end assets, calculated in accordance with generally accepted accounting principles, including assets of all affiliates

Brokers that have filed a 500.19(a) exemption will now need to comply with two additional requirements:

- 1) Implement multi-factor authentication for remote access to its information systems, third-party applications (including those that are cloud based) from which nonpublic information is accessible, and all privileged

accounts other than service accounts that prohibit interactive login.

- 2) Provide all personnel with cybersecurity awareness training at least annually. Active ELANY members can avail themselves of our free training offer.

Brokers that have not filed an exemption must comply with new requirements regarding Chief Information Security Officers, encryption, and incident response and business continuity. For more information, please see ELANY Bulletin 2024-20.

# ELANY Celebrates 35 Years of Service

This year marks the 35<sup>th</sup> anniversary of ELANY’s founding. Created by New York statute to “facilitate and encourage compliance by its members with the laws of this state and the rules and regulations of the superintendent relative to excess line insurance,” ELANY has been serving excess line brokers with compliance advice, education, financial oversight of insurers, advocacy, and other benefits since 1989.

At its core, ELANY is New York’s excess line stamping and service office, one of 15 in the country. Speed and accuracy of filing turnaround time is a key deliverable to our members.

Through implementation of new technologies such as programmatic filings, optical character recognition, and the new AEROS filing system, ELANY strives to stay ahead of the curve and deliver best-in-class service.

“It is with great pride that ELANY



marks this milestone,” said ELANY Chairman Michael Blackshear. “Walking that fine line between compliance oversight and serving brokers as members can be quite

a challenge. I am honored to be part of an organization that has perfected the art.”

ELANY CEO and Executive Director Janet Pane stated that “everyone at ELANY is focused on providing the best service and education to brokers, enabling them to serve their clients and meet the compliance requirements of New York State’s insurance law. I could not be prouder of our staff and their commitment to support ELANY members”.

Here’s to the next 35 years serving the excess line community!

## Snapshot of Market Strength, Premiums, and Transactions

AM Best Ratings of NY Eligible Surplus Lines Insurers				2024 Lines of Business (as of 9/30/24)		
Rating	# of Cos.	2023 NY Premium <sup>1</sup>	% of Premium	Category	Premium	Transactions
A++	20	\$922,378,359	11.7%	Auto	\$90,479,598	7,190
A+	56	\$1,758,862,859	22.3%	Commercial Multiperil	\$252,880,723	33,507
A	77	\$3,677,859,823	46.6%	Credit	\$47,636,724	1,075
A-	55	\$1,438,455,295	18.2%	E&O, D&O	\$456,194,210	23,120
<b>S&amp;P Rated A or Greater</b>				Excess Liability & Umbrella & Medical Malpractice Excess	\$1,179,260,487	37,673
>A	8	\$83,124,534	1.1%	Excess of Loss Property Coverage	\$352,843,531	2,881
Other	11	\$4,053,381	0.1%	Fidelity & Surety	\$73,532,464	551
<b>TOTAL</b>		<b>\$7,884,734,251</b>	<b>100%</b>	Homeowners/Dwelling Coverage	\$160,621,023	21,867
				Marine	\$128,735,552	7,257
				Medical Malpractice & Miscellaneous Professional	\$192,799,713	11,027
				Primary GL & Other BI/PD	\$1,913,161,128	130,390
				Primary Property Coverages	\$1,687,400,990	59,303
				Salary Protection	\$16,880,173	1,111
				Misc	\$20,776,694	6,112
				<b>TOTALS</b>	<b>\$6,573,203,010</b>	<b>343,064</b>

1. N.Y. Taxable Premium | Source: ELANY premium database, AM Best and Standard & Poor’s ratings.

## Legislative Session Recap



The 2023 legislative session ended with mixed results for the excess line community. A Department of Financial Services bill (S9481/A10342) that would codify business interruption coverage as a type of insurance was passed. The bill, which was intended to address concerns expressed by ELANY and others regarding requirements for business interruption coverage in workplace violence policies, would eliminate the requirement that coverage be triggered by physical damage in cases when a perpetrator who commits

or threatens to commit an act of violence is on the insured's premises, or when the interruption is due to a government order. While the bill is a step in the right direction, and we commend both the Department and legislature for their support, ELANY has communicated the need to take further legislative or regulatory action to permit coverage for credible threats and for extra expense coverages that consumers benefit from throughout the country except in New York.

Also passed was legislation (S9420/A10344) that would explicitly authorize parametric insurance. The bill would require excess line brokers to provide specified disclosures to insureds. ELANY has recommended technical clarifications to improve the bill.

ELANY Bulletin No. 2024-17 was published regarding a new law and

a Department of Financial Services circular letter restricting affordable housing underwriting and rating. These restrictions explicitly apply to excess line insurers as per the Department's circular letter. ELANY's two priority bills passed the Senate, but stalled in the Assembly. The first (S5896/A5253) would have eliminated the diligent effort requirement for commercial lines policies placed by retailers through unaffiliated wholesale excess line brokers. The second (S2796/A4597) would have removed the statutory need for a declination from the Medical Malpractice Insurance Pool before a medical malpractice policy covering physicians, general hospitals, or dentists could be placed in the excess line market. ELANY hopes to have substantive discussions with the executive and legislative branches to try and find common ground.

## Gary Holleder Retires from the Board of Directors



ELANY extends its deep gratitude and thanks to Gary Holleder, who retired this year from ELANY's Board after more than 17 years of service.

Gary was first elected to the ELANY Board in 2007 and for almost two decades has served and supported the organization. Gary is the past Chairman of the ELANY Board of Directors and has also served on many executive committees, always thinking ahead on how to improve the services ELANY provides its members.

What made Gary such an important part of the Board? Dan Maher, former Executive Director of ELANY summarized it best, "Gary is perceptive, a perfectionist, and hardworking. Gary is curious and has great skill in digging deep. Rather than telling you what he thinks, Gary asks questions that help you find a good answer to an issue."

Gary was a strong voice on the Board who advocated for the adoption of new technology to allow for a more efficient policy examination review. Gary helped integrate electronic signatures into the ELANY filing process. Maher pointed out that Gary was not only an outstanding Board member, but

his wife Tonya is a consummate excess line broker, who supported the Board with her expertise on fast changing developments in cybersecurity.

Gary began his career with the Travelers Insurance Company in 1973 where he was a commercial underwriter. He joined Russell Bond in 1992 as General Manager with responsibility for oversight of all operations. After Russell Bond was rebranded to JenCap Specialty, Gary served as President of the Buffalo office through September 2022.

Thank you Gary for everything you have given to ELANY and its members!

## Michael Blackshear Begins Term as ELANY's 2024 Chairman



Excess Line Association of New York (ELANY) is pleased to welcome Michael Blackshear as its new Chairman of the Board of Directors.

Michael serves as Senior Vice President, Chief Compliance and Privacy Officer | Head of Diversity, Equity, and Inclusion for Ryan Specialty. Ryan Specialty is an international specialty insurance organization that provides solutions to brokers, agents, and insurance carriers with operations in North America, the United Kingdom, Europe, and Asia. Ryan Specialty was founded in 2010 by Patrick G. Ryan, former Chairman of Aon Corporation, and includes a wholesale brokerage operation (RT Specialty) and a collection of managing general underwriting companies within Ryan Specialty Underwriting Managers.

As its senior compliance executive, Michael is responsible for maintaining and growing an effective compliance and regulatory risk framework. As head of a newly created Diversity, Equity, and Inclusion (DE&I) function, he is also tasked with promoting DEI at the firm, along with building strong alliances within the insurance industry and communities in which Ryan Specialty's colleagues live and work. He currently serves on Ryan Specialty's executive management team.

Michael is a 30-year risk management and compliance veteran who previously served as Chief Compliance Officer for Chubb's North American operations, in addition to senior leadership roles at Marsh & McLennan, KPMG, and PwC. In 2024 and 2022, Michael was named one of the most influential executives in corporate America by Savoy magazine. In 2023, Michael was recognized by the Insurance Brokers Association of New York with the Diversity, Equity & Inclusion Awards of Excellence. In addition to serving as ELANY's Board of Director's Chairman, he also serves on various other Boards and is a member of the Syracuse University Board of Trustees.

"It is an honor to be elected Chair of ELANY's Board of Directors. The Association, created by statute in 1988, is tasked with facilitating and encouraging compliance with the excess lines laws of New York State. ELANY's goal is to advocate for smart and reasonable regulations impacting insurance market participants. This balanced approach allows for sensible regulations, protection of consumers, and it supports reasonable solvency safeguards for insurance carriers operating in NY's non-admitted marketplace. ELANY is doing great and exciting things, and I am thrilled to help lead it during a time of service-oriented and technological innovation that will benefit our members," said Michael Blackshear.

"I could not be more thrilled to have Michael leading our Board," said ELANY's Chief Executive Officer Janet Pane. "I know him to be a dynamic and forward-thinking leader who will be a wonderful partner as we devise and implement new approaches to serving our mission."

## ELANY Holds Compliance Round-table with PHL

ELANY hosted a delegation from the Philadelphia Insurance Companies, to discuss a variety of compliance issues and address how to best work toward successful filing experiences. ELANY offered insights on how to handle minimum premium situations, workplace violence policies, diligent effort requirements, determining the "home state" of the insured, broker licensing, and other topics. The conversation was robust, with many questions and perspectives.

"Roundtables with member firms, in which ELANY and the brokers discuss both macro and broker-specific issues, are something ELANY is looking to do more of," said ELANY CEO Janet Pane. "Brokers benefit by gaining a deeper understanding of how best to productively work with ELANY, and we learn more about member needs and choke points. I encourage member firms to contact us to organize their own roundtables."



## ELANY Welcomes Harry Tucker to the Board of Directors



ELANY is happy to announce that Harry Tucker has joined the ELANY Board of Directors for a three-year term.

Harry Tucker is a graduate of the University of Florida and has over 30 years of experience in Excess & Surplus line property. His extensive broker knowledge has contributed to innovation in sales and marketing, and thought leadership at both a transactional level and in growing strategic partnerships.

Harry is currently Executive Vice President of AmWINS Property

Practice. This Practice consists of over 500 active brokers, property marketing specialists, and practitioners who represent \$10.5b in annual written premium. In this role, Harry is responsible for identifying risks and client solutions, developing products, and spearheading strategic market partnerships. Harry plays an integral role in catastrophe modeling, forms comparisons, claims consulting, and in talent development. In addition to his role as a property leader, Harry is a member of AmWins Security Committee which oversees MGA and carrier appointments and the Amwins Broker Development Committee which actively educates rising talent within the organization.

Prior to joining AmWINS, Harry has held several senior level property positions. Harry has served as Senior Vice President with RT Specialty in New York,

Area President of Property at Risk Placement Services, Senior Vice President/Property Manager at Stewart Smith East, and served as Senior Vice President National Account Marketing at Swett & Crawford.

Outside of AmWins, Harry is a past Board member of PIWA and regularly participates in numerous industry panels. Harry is active in community affairs and is the past Treasurer of The Philipse Manor Improvement Association and the Philipse Manor Beach Club, located in Westchester, New York. He is also involved in historical preservation and enjoys skiing, kayaking, golfing, fishing, and hiking with family and friends.

“Harry’s deep knowledge of the E&S market will serve ELANY well as we continue to see new products and companies entering the NY market to address the evolving risk landscape,” said ELANY CEO, Janet Pane.

## ELANY Annual Members Meeting Provides Insights

ELANY held its Annual Members Meeting on May 2<sup>nd</sup> in the Daniel F. Maher Conference Center. The well-attended event featured a panel discussion on cyber risks, regulations, and the role of AI led by Eric Dinallo, Chair of Debevoise & Plimpton’s Insurance Regulatory Practice, Matthew Levine, Partner at Elliott Kwok Levine Jaroslaw Neils LLP, and Avi Gesser, Partner at Debevoise & Plimpton and Co-Chair of the firm’s Data Strategy & Security Group. Attendees gained insights into the new Department of Financial Services’ cybersecurity regulation revisions and compliance approaches that brokers would do well to consider.

We were also honored to have Assembly Insurance Committee Chair David Weprin share his perspective on key insurance issues before the legislature, including those of critical importance to excess line brokers, insurers, and consumers.

The Annual Meeting concluded with a report on 2023 results and the 2024 ELANY Board of Directors election. We are pleased to announce that both Donald Privett & Michael Blackshear were reelected to 3-year terms. A new Board Member, Harry Tucker from AmWins, was elected to a 3-year term to replace an open seat on

the Board. James Richardson was elected to a 2-year term, filling the unexpired term of Eric Keller who becomes Immediate Past Chairman at the next Board meeting.



## ELANY Hosts 2024 Boys Hope Girls Hope Interns

ELANY is proud to continue to support the Insurance Federation of New York, Inc. (IFNY) Boys Hope Girls Hope of New York summer internship program. These interns spent their days at the ELANY offices learning about the insurance Industry from ELANY staff and took part in leadership development and team building exercises.

As part of the internship, NYDFS Superintendent Adrienne A. Harris spent an afternoon at ELANY with the interns and discussed navigating today's challenging workplace as well as pursuing careers in the insurance industry. The interns also held a collaborative

workshop where they created their own products and policies for review with a panel of DFS leaders.

Creative and eager to learn, the interns were a pleasure to be with and we look forward to seeing these bright scholars again.



## 2024 Annual Member Appreciation Day: Mets versus Yankees

ELANY hosted members at Citi Field on June 25<sup>th</sup> for ELANY's Annual Member Appreciation Day. It was an exciting 'Subway Series' game with the Mets beating the Yankees. We had a great turnout from our members who filled the night with laughter and cheer.

Thank you to everyone who made it a memorable evening.



## ELANY Welcomes New Staff Members

Lisa Barlow, Andrew Cardona, Manny Colon, Tara Cummins, Crisella Garcia, Arlana Kemper, Thesalia Leon, Portia Lipscomb, Sabrina Sookhdeo